GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3743
ANSWERED ON:24.03.2017
IT Raids
Bharathi Mohan Shri R.K.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has conducted IT raids and documents search in the premises of the suspected income tax evasion by companies/individuals during the last three years and the current year;
(b) if so, the details thereof and the money/gold/other wealth confiscated from such IT raids along with the current status of investigations aftermath of such raids;
(c) whether the Government has taken any strict action against the companies/ individuals/ trusts/ others for breach of law and tax evasions; and
(d) if so, the details thereof during the last three years and the current year, companies/individuals/trusts-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): As part of enforcement measures and based upon credible evidence of tax evasion and other serious violations of provisions of the Income-tax Act, 1961 (the Act), Income Tax Department (ITD) conducts searches in cases of various persons including companies and individuals. During the last three Financial Years (2013-14, 2014-15 and 2015-16) and the current Financial Year [2016-17 (up to January, 2017)], the ITD conducted searches in about 2534 groups of persons which led to admission of undisclosed income of about Rs. 45,622 crore apart from seizure of undisclosed assets (cash, jewellery etc) worth about Rs. 3,625 crore.

Based upon material recovered during searches, investigation is conducted by the investigating officers and findings of such investigations are shared with the Assessing Officers concerned. Such Assessing Officers initiate and complete assessment proceedings (a quasi-judicial proceeding) as per provisions of the Act with a view to assess the total income (including undisclosed income) and take other actions such as raising of tax demand, levy of applicable penalties, recovery of such demands, filing of prosecution complaints, (wherever applicable) etc. This is an on-going process.

(c) & (d): The Government has taken various effective measures to tackle breach of law and tax evasion. These steps include focused enforcement actions and putting in place appropriate legislative & administrative frame works & processes. Due attention has been given to capacity building and integration of information and its mining through enhanced use of information technology. Serious violations of provisions of the Act by persons including individuals, companies etc lead to civil as well as criminal consequences. The civil consequences include levy of taxes (including interest) and penalties and criminal consequences include prosecutions before criminal courts for offences under the Act. Besides levy of taxes on the total income of those persons whose assessments were completed during last three years and current Financial Year (up to Jan, 2017), the ITD filed prosecution complaints in 2432 cases. During the same period, 4264 compounding applications were also received from persons who had committed offences under the Act, as offences committed under the Act are compoundable. Out of the cases disposed of by the criminal courts during this period, 116 persons were convicted of the offences committed under the Act. Besides, in 3218 cases offences were compounded by the competent Income-tax authorities. Person-wise details are not maintained centrally. Further, disclosure of information in respect of specific assessees is prohibited except as provided under section 138 of the Act.
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